



WASHINGTON STATE LEGISLATURE
Office of the State Actuary

July 14, 2003

Mr. John F. Charles, Director
Department of Retirement Systems
P.O. Box 48380
Olympia, Washington 98504-8380

Dear John:

RE: SUPPLEMENTAL RATES

As required under RCW 41.45.070, we are forwarding the supplemental rate increases required for the following bills that passed during the 2003 legislative session:

- HB 1205 - - Chapter 388, Laws of 2003
- HB 1207 - - Chapter 402, Laws of 2003

Assuming an effective date of September 1, 2003, we have calculated that HB 1205 will increase LEOFF plan 2 contribution rates by .02% for members and .01% for employers and the state. HB 1207 will increase the SERS plan 2 member and SERS plan 2/3 employer contribution rate each by .01%. We have not identified any additional legislation that requires a supplemental rate increase at this time.

With the passage of Initiative Measure No. 790 and the corresponding implementing legislation (SHB 2197, Chapter 92, Laws of 2003), the primary responsibility to calculate supplemental rate increases for LEOFF plan 2 rests with the new LEOFF plan 2 board. As a result, supplemental rates for LEOFF plan 2 are now calculated by the actuary retained by the board and the state actuary through the process provided in RCW 41.26.720(1)(a). Should there be a delay in implementing the supplemental rate increases for HB 1205 due to the start-up of the new board, the rate increases provided above are valid assuming the effective date does not extend beyond the start of the 2004 legislative session.

Please feel free to contact me directly should you have any questions.

Sincerely,

Matthew M. Smith
State Actuary

cc Maureen Westgard
Larry Risch

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